Delay in liquidation of Companies

†*148. SHRI GOPALSINH G. SOLANKI:
SHRI BRATIN SENGUPTA:

Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether inordinate delay is being caused in completing the task of liquidation or closure of the companies;

(b) if so, the reasons therefor; and

(c) the steps proposed to be taken to ensure speedy completion of the task?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY): (a) Yes, Sir.

(b) Some of the important reasons for delay are:—.

(i) Elaborate procedural requirements.

(ii) Non-cooperation by the Ex-Directors of the Companies.

(iii) Non-filling of statement of Affairs by the ex-directors to enable Official Liquidators to proceed further and Non service of the notices of complaints filed by the Official Liquidators in Courts for filling Statement of Affairs by ex-directors.

(iv) Non service of notices on debtors. Even after getting ex-parte decree difficulties are faced in tracing the debtors and execution of decree by attachment.

(v) Considerable time is taken in realization of dues and settlement of claims including claims of Tax Authorities, workmen and others.

(c) The Government appointed a High level Committee on Law relating to Insolvency and Winding up of Companies under the Chairmanship of Mr. Justice V. Balakrishna Eradi (Retd.) Judge Supreme Court to *inter alia* study this aspect. The Committee has submitted its report to the Government. Government has accepted the report and is taking necessary action for its implementation.

† Original notice of the question was received in Hindi.